

CALIFORNIA MEDICAL ASSISTANCE COMMISSION

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**CALIFORNIA MEDICAL ASSISTANCE COMMISSION**

**State Capitol, Room 113
Sacramento, CA**

**Minutes of Meeting
November 4, 2010**

COMMISSIONERS PRESENT

Wilma Chan
Daniel Eaton
Marvin Kropke
Nancy McFadden

COMMISSIONERS ABSENT

Michele Burton, M.P.H.
Vicki Marti

CMAC STAFF PRESENT

J. Keith Berger, Executive Director
Tacia Carroll
Paul Cerles
Nathan Davis
Denise DeTrano
Keith Farley
Katie Knudson
Jenny Morgan
Becky Swol
Mike Tagupa
Karen Thalhammer

EX-OFFICIO MEMBERS PRESENT

Jalynne Callori, Department of Health Care Services
Robert Nelson, Department of Finance

EX-OFFICIO MEMBERS ABSENT**I. Call to Order**

The November 4, 2010 open session meeting of the California Medical Assistance Commission (CMAC) was called to order by Commissioner Eaton. A quorum was present.

II. Approval of Minutes

The October 21, 2010 meeting minutes were approved as prepared by CMAC staff.

III. Executive Director's Report

Mr. Berger reported, now that CMAC is near completion of the Round 6A of the Private Hospital Supplemental Fund (PHSF) process, staff will be getting ready for Round 6B. Staff is initially planning on following the general timeline that was used last year, targeting early December for initiating the Round 6B process for the PHSF and Round 6 of the Non-designated Public Hospital Supplemental Fund (NDPHSF), with the goal of having as many amendments as possible before the Commissioners for review and action around the end of February 2011.

Mr. Berger noted that as CMAC moves forward with the development work over the next month, staff will make a final determination regarding the proposed schedule and make a more formal announcement at that time.

Regarding the State Budget, Mr. Berger indicated that the Department of Health Care Services (DHCS) is moving forward with implementation of the new hospital fee, the hospital rate freeze established by the budget trailer bill, and the new Medicaid 1115 Demonstration Waiver. Mr. Berger said that he would let CMAC's DHCS representative, Jalyne Callori, give an update on those projects.

IV. Department of Health Care Services (DHCS) Report

Regarding the federal 1115 demonstration waiver, Ms. Callori, Assistant Chief, Safety Net Financing Division, was happy to report that DHCS obtained approval from Centers for Medicare and Medicaid Services (CMS) on November 2, 2010, entitling the waiver "The Bridge to Reform."

Ms. Callori indicated that the waiver allows the State to receive \$10 billion, over the next five years, in new federal funds to invest in our health delivery system to prepare for national health care reform. Ms. Callori explained that a few of the key elements of the waiver include: expanding the coverage initiative to all counties to cover more uninsured individuals; increasing funding for uncompensated care; improving care for vulnerable populations through enrollment in managed care; and the promotion of a public hospital system transformation to strengthen their infrastructures and prepare them for the implementation of health reform.

Ms. Callori said that the waiver approval is a major milestone in the effort to improve California's health system, and DHCS is especially proud of the involvement of the stakeholder communities in the process.

Regarding the Hospital Quality Assurance Fee, Ms. Callori reported that DHCS has collected fees for the first round and has made payments to hospitals, and has begun the collection for the second round and will be making those payments in the next couple of weeks. She noted that there has been active participation by the hospitals, with 93 percent of the expected fee collection in the first round, and 94 percent in the second round.

Ms. Callori also reported that Safety Net Financing Division is busy internally working with the DHCS legal department as well as the Provider Enrollment Division (PED) to implement the hospital rate freeze established by SB 853. She explained that DHCS is trying to meet deadlines in statute, which include the requirement, that the non-contract hospital rate freeze methodology must be determined within 90 days.

V. Department of Finance (DOF) Report

Mr. Nelson, DOF, had nothing to report.

VI. Public Comments/Adjournment

Myrna Allen, Government Relations Group, asked to know what happens in the rate freeze for those hospitals like City of Hope and most Children's hospitals, that are currently exempt from Diagnosis Related Groups (DRG) reimbursement methodologies, like what is being developed by DHCS; will they be excluded from the rate freeze? She understood decisions have not yet been made and requested the public to be notified as answers became available.

There being no further comments from the public, Commissioner Eaton recessed the open session. Commissioner Eaton opened the closed session and, after closed session items were addressed, adjourned the closed session, at which time the Commission reconvened in open session. Commissioner Eaton announced that the Commission had taken action on hospital contracts and amendments in closed session. The open session was then adjourned.